

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1204-02
Bill No.: HB 602
Subject: Fire Protection; Retirement
Type: Original
Date: February 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0*	\$0*	\$0*

***Does not include LAGERS plan expenses of \$16,000 in FY 02 and \$6,000 in FY 03 and 04. LAGERS funds are not considered local funds for fiscal note purposes.**

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Joint Committee on Public Employee Retirement** indicate that this legislation does not represent a “substantial proposed change” in future plan benefits, as defined by Section 105.660(5). As such, an actuarial cost statement is not required.

The **Office of Administration** notes that the Missouri Local Government Employees’ Retirement System should determine any possible cost of this proposal.

Officials with the **Missouri Local Government Employees’ Retirement System (LAGERS)** note that the proposal will require the addition of at least two and perhaps three members to the board of trustees. Travel expenses for the additional members are estimated at \$6,000 annually. The feasibility study required by the proposal is expected to require \$10,000 for FY 2002. The cost to the retirement systems or the City of Saint Joseph as a result of any elections that could be made following the completion of the study are unknown.

Oversight notes that the proposal states that the city “may allow actively employed to elect to participate” in LAGERS or their existing plan. As such, the fiscal impact to the city of this proposal is assumed to be zero. An decision made to allow firefighters to elect coverage could result in a fiscal impact due to administrative costs and differing contribution requirements.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>

***Does not include LAGERS plan expenses of \$16,000 in FY 02 and \$6,000 in FY 03 and 04. LAGERS funds are not considered local funds for fiscal note purposes.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill allows the City of Saint Joseph to allow firefighters in St. Joseph to join the Local Government Employees Retirement System (LAGERS). The decision to join must be made within a one-year period beginning January 1, 2002, and ending on December 31, 2002. The Joint Committee on Public Employee Retirement, LAGERS, and the City of St. Joseph must do a feasibility study on allowing the firefighters to participate in the system. The study must be presented to the General Assembly no later than December 1, 2001. The bill also adds additional members to the LAGERS Board of Trustees.

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Office of Administration
Missouri Local Government Employees Retirement System

NOT RESPONDING

City of Saint Joseph



Jeanne Jarrett, CPA
Director

February 26, 2001